

## Public Assistance Recipients and Their Adaptation: A Social Structural Perspective

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### Statement of the Research Problem

Researchers have not yet produced a theoretical explanation of why people receive public assistance. Subsequently, lacking a theoretical base, research generally has been limited to disproving particular claims made by critics, or to showing a lack of adverse effects of public assistance on recipients. Although a few scholars have hypothesized economic or political reasons underlying public assistance use, no recent researcher has proposed a theoretical framework to explain why people receive public assistance based on a social-structural perspective. I will examine whether a social-structural perspective can explain why people receive public assistance, particularly AFDC.

Developed here is a social-structural perspective for describing the relationship among employment, socially structured capacities, regulation of public assistance, and receipt of public assistance. Based on employment, receipt of public assistance, and the degree of financial success, four types of adaptation--autonomy, self-reliance, supplementation, and dependence--are identified. An individual's mode of adaptation is mainly constrained by the socially structured capacities of one's social group and by one's eligibility for public assistance. These capacities are socially structured, which means that some groups are more likely to become successful through employment than others. In other words, adaptation is not determined by one's choice, nor by one's will, alone.

*Autonomy*, the most common form of adaptation, describes situations in which individuals are able to use employment to achieve financial success. Many autonomists have technical skills and/or professional knowledge. Autonomists may also have economic advantages such as assets and financial resources beyond their salaries. Because they generally have substantial income and financial assets, autonomists are ineligible for public assistance.

Like autonomists, persons adapting by *self-reliance* rely on employment. Self-reliant adaptors typically have few skills and insufficient education to perform better-paying jobs. Self-reliant adaptors include the working poor who do not receive public assistance. Another crucial reason for their "rejection" of aid is the eligibility requirements for AFDC and other noncontributory programs. To get benefits, families must have incomes and assets much lower even than the self-reliant working poor are likely to have. Before October 1990, poor married couples with families were more likely to be forced to be self-reliant in adaptation than poor single-parent families.

The poor families who do use public assistance, in addition to earned income, to improve their financial state are among those adaptors who exhibit *supplementation*. Armed with few socially structured capacities, supplementation adaptors are unskilled, low-income workers who receive noncontributory benefits (e.g., food stamps and Medicaid in states where available) to meet their needs. Supplementation adaptors must have very limited assets to be eligible for

public assistance benefits.

People who rely entirely on public assistance programs for every need--food, shelter, and clothing--have adapted by becoming *dependent*. Compared to other adaptors, dependent adaptors have the lowest degree of socially structured capacities to pursue financial success. They are unskilled and under-educated. Many individuals in this category are single mothers. They have very few or no assets, but most do have young children to care for.

Changes of adaptation modes can result from the intervention of social programs or from shifts between social groups. An individual who moves from one social group to another may undergo a change of adaptation. In such cases, a change of adaptation is not necessarily accompanied by a change of socially structured capacities. Furthermore, eligibility for noncontributory programs may shape recipients' adaptation. Prior to October 1990, because of the eligibility requirements of AFDC and the limited availability of AFDC-UP, dependent single mothers who married poor husbands could have, in some states (those not providing AFDC-UP), become self-reliant. In some states (those providing AFDC-UP), they might have become supplementation adaptors.

#### Research Background

Subjects for this study were the sample from the Survey of Income and Program Participation (SIPP) 1987 Panel. SIPP was a multi-panel longitudinal study involving 16,700 households across the United States. SIPP collected information on assets and many sources of earned, unearned, means-tested transfer, and non-means-tested transfer incomes, in-kind benefits, child support, child care, and housing. All respondents in SIPP were interviewed every four months from January 1987 to April 1989. During each interview, respondents reported relevant information for the previous four months. Individuals were selected who had received AFDC for one month or more during the survey period, who were 18 to 64 years old, who were either African-Americans, whites, or Hispanics, and who were parents with dependent children. Respondents from 42 states were included. Self-employed persons and disabled persons were excluded.

## Methodology

Event history analysis was employed to investigate the research questions. Event history analysis is the longitudinal study of events which happened to a sample of individuals. An event in this study was a change from dependency or supplementation to another adaptation. Although adaptation changes were repeatable events, they were assumed to be independent of each other. In any case, the focus of this research was to investigate factors that affected current adaptation changes.

Because the data in SIPP were recorded at monthly intervals, data processing and analyses in this study were based on the discrete-time method. First, all individual records were separated into adaptation periods. Because AFDC recipients were the target of investigation, only periods starting with receipt of an AFDC payment (defined as supplementation or dependency) were included. For example, an "uncensored" supplementary/dependent period (AFDC period) was a time interval in which a person was identified as using supplementation or dependency (a receipt of AFDC payment) at the beginning and making a change (an exit from AFDC) at the end. AFDC periods remaining supplementary or dependent (i.e., no exit from AFDC) at the end of the SIPP survey were considered "right-censored" periods. On the other hand, some AFDC periods were "left-censored" because their beginning time was unknown. Since the number of months in which a subject had received AFDC benefits prior to the survey was available in SIPP, the information was added to the current information.

Next, each adaptation period was separated into months. These months were called person-months. Within each person-month, dependent and independent variables were measured. Finally, all person-months were pooled into one sample for data analysis.

## Results

The primary purpose of hypothesis one is to determine the factors that affect the probability of exit from AFDC (i.e., a change from receipt of AFDC to non-receipt of AFDC). The overall results showed that married persons or single fathers who were skilled workers, who were less reliant on means-tested benefits, who spent short periods of time on AFDC, and who earned at a level that put them at risk of being ineligible for AFDC were likely to leave AFDC. Education, in-kind benefits, participation in WIN, past work experience, and the risk of absence of AFDC-UP made no difference in the chances of exit from AFDC.

The purpose of the second hypothesis is to seek determinants of the likelihood of adaptation change from supplementation or dependency to autonomy, i.e., from receipt of AFDC to non-receipt of AFDC and becoming non-poor. Because the sample included only periods which ended with an exit from AFDC (indicating autonomy or self-reliance), the results also implicitly indicated the determinants of the odds of adaptation change from supplementation/dependency to autonomy instead of self-reliance. The study in fact indicates that, under the rules of AFDC, white skilled workers who were skilled workers in the past and were covered by Medicaid for six or more months before the study period have highly improved chances of leaving AFDC with non-poor financial status.

The purpose of the test of hypothesis three is to find the reasons why AFDC recipients

change their adaptation from supplementation to dependency, i.e., from employment to unemployment. In general, the results show that the recipients' gross income limit ratio was negatively associated with the adaptation change for many recipients. In addition, the supplementary recipients who became dependent were undereducated, unskilled, had spent long periods in supplementation, had high occupational skill in the past (i.e., experienced deterioration of occupational skills), and who received little help from Medicaid.

The purpose of the test of hypothesis four is to decide the predictors of adaptation change of AFDC recipients from dependency to supplementation, i.e., from unemployment to employment on the part of recipients. Overall, the results demonstrate that dependent recipients who received AFDC in many episodes, received food stamps in few episodes, were not likely to become ineligible for AFDC due to the gross income limit ratio, and acquired high occupational skill were likely to change from dependency to supplementary adaptation, i.e., to get a job.

#### Utility for Social Work Practice

A higher priority needs to be given to single mothers, since unemployed married parents (in AFDC-UP, for instance) are likely to leave AFDC by themselves before much time elapses. Hence, job training programs should focus on equipping single mothers with marketable occupational skills. In order to improve unskilled single mothers' chances of leaving AFDC, skill training or job placement should have as its objective employment in more remunerative, reliable positions than service jobs. The objective is to make employment, in addition to marriage, a promising way for single mothers to leave AFDC.

It is important for moving AFDC recipients out of AFDC as non-poor persons. First, the provision of AFDC-UP in every state, year-round, would help married recipients to leave AFDC in non-poor status. Therefore, the 13 states now providing AFDC-UP only six to nine months a year should extend the provision to the entire year. Second, the gross income limit (185 percent of state need standards) should be changed in order to reduce the number of recipients exiting AFDC in poverty. The estimated probability results suggest that unless a family's income from earnings is four times of the gross income limit, the chance of exiting AFDC and becoming non-poor for the family is less than 50 percent. To avoid moving families out of AFDC into poverty, the gross income limit should be increased by doubling the state need standard and doubling the gross income limit percentage from 185 percent to 370 percent. Another implication from the same estimated probability results is that the gross income limit may be so unrealistically low that it should be abolished.

The results suggest several implications for job training programs for AFDC recipients. First, letting recipients remain in supplementation without any intervention is not a good strategy; after a while, they are likely to become dependent recipients. Intervention should take place as early as within the first six months of supplementation adaptation to prevent the regressive adaptation change. Intervention should include educational improvement and help with job search. Although the findings suggest that educational component of the JOBS programs will not improve the chance of leaving AFDC and becoming non-poor, the emphasis on educational improvement in the JOBS program should help prevent changes from supplementation to dependency in the future. The educational component of JOBS should aim at helping participants who are supplementary recipients and elementary school drop-outs. The

program should help these participants complete at least the elementary grades. If, however, the goal is high school graduation for participants, the chances of their becoming dependent will be significantly reduced.

Job training programs can help dependent AFDC recipients become supplementary in adaptation. First, job search/placement or vocational training should help unemployed recipients to obtain well-paying jobs. Second, job search services should be provided to all adult members in AFDC families, including those members who have jobs already. These services would aim at finding jobs which will further improve an AFDC family's financial condition. An adult family member's success in the occupational and financial realm, fostered by the job search or vocational training, indirectly encourages other adult family members to pursue financial independence. Hence, effective job training for one family member can have an enormous impact on an entire family.

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